



Legislation Text

File #: 21-317, **Version:** 2

Ordinance No. 21-60 of the City of Colorado Springs, Colorado Approving and Authorizing the Execution and Delivery of the Standby Bond Purchase Agreement Among the City Of Colorado Springs, Colorado, Wells Fargo Bank, National Association, as Tender Agent, and Barclays Bank Plc, The Fee Agreement Between the City of Colorado Springs, Colorado and Barclays Bank Plc, and the Official Statement for the Utilities System Revenue Bonds Previously Issued by the City to Which the Agreement Relates; Ratifying Certain Action Heretofore Taken.

Presenter:

Tristan Gearhart, Acting Chief Planning and Financial Officer, Colorado Springs Utilities
Aram Benyamin, Chief Executive Officer, Colorado Springs Utilities

Summary:

The Ordinance addresses the approval of a Standby Purchase Agreements (“SBPA”) for the Variable Rate Demand Utilities System Improvement Revenue Bonds, Series 2006B. The current SBPA for the Bonds is set to routinely expire this fall. Utilities has elected to replace the agreement with Landesbank Hessen-Thuringen Girozentrale (“Helaba”) with Barclays Bank PLC as provider for a term of five years on the 2006B agreement.

Background:

The Bond Ordinance for the City’s 2006B bonds require that the City “maintain a Liquidity Facility in full force and effect at all times when the bonds are bearing interest at a Variable Rate other than Auction Mode Rate, except as otherwise provided in Section 1212 of the Bond Ordinance”. A Standby Bond Purchase Agreement is one of the acceptable financial instruments to provide liquidity for the City’s variable rate bond issues.

Previous Council Action:

City Council approved the Ordinances authorizing the 2006B bonds, as well as all corresponding past Standby Bond Purchase Agreements and amendments associated with this issuance.

Financial Implications:

The City will receive long-term liquidity on the 2006B series at attractive market rates.

City Council Appointed Board/Commission/Committee Recommendation:

The Utilities Board Finance Committee reviewed this proposed action at their July 16, 2021 meeting. Additionally, the Utilities Board also reviewed this item at the July 21, 2021 meeting.

Stakeholder Process:

N/A

Alternatives:

The City could choose not to replace the Standby Bond Purchase Agreement when the agreements expire in 2021, which would be a violation of the Ordinance. This alternative would not be advantageous to the City.

Proposed Motion:

Approval of proposed Ordinance.

The City requests approval to replace the expiring Standby Bond Purchase Agreement (“SBPA”) for the 2006B Bonds for a five-year term. This action maintains The City’s compliance with the bond ordinances requiring such facilities be in place and does so at advantageous cost amounts.